

NASS

Monthly Ag. Newsletter

NASS-NF23

"The Factfinders for U.S. Agriculture"

June 1999

The NASS monthly newsletter is published by the U. S. Department of Agriculture, National Agricultural Statistics Service (NASS), 1400 Independence Avenue, S.W., Washington, D.C. 20250.

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The following estimates, forecasts, and projections are mainly taken from recent publications of the National Agricultural Statistics Service, Economic Research Service, and the World Agricultural Outlook Board of the USDA.

♦**Wheat.** Winter wheat production is forecast at 1.61 billion bushels, down fractionally from May 1, and down 14% from last year. Based on June 1 conditions, the U.S. yield is forecast at 44.7 bushels per acre. Forecast grain harvested area is 36.0 million acres, down 1% from last month. The World Agricultural Outlook Board (WAOB) projected U.S. 1999/2000 all wheat ending stocks down slightly from last month because of a lower winter wheat production forecast. The projected price range for 1999/2000 is \$2.60 to \$3.10 per bushel.

♦**Corn.** The U.S. 1999 corn crop is projected at 9.45 billion bushels by the WAOB, down 316 million bushels from 1998. The March *Prospective Plantings* area and a trend yield of 131.8 bushels per acre are assumed. Total U.S. 1999/2000 corn supplies are up 1% from last year due to a higher carryin stocks projection. The projected price range for the 1999 corn crop is \$1.80 to \$2.20 per bushel. These projections are unchanged from last month.

♦**Soybeans.** U.S. 1999 soybean output is projected by the WAOB at a record 2.88 billion bushels, unchanged from last month, but up 4% from 1998. Intended plantings of 73.1 million acres would be record large area and a projected yield of 40.0 bushels per acre would be the highest since the 1994 record of 41.4 bushels. Ending stocks for the 1999/2000 season are forecasted at 595 million bushels. Soybean prices are projected at \$3.95 to \$4.75 per bushel, down from \$5.00 for the 1998 crop. Soybean meal prices of \$120 to \$140 per short ton are projected. Poor export prospects for soybean oil has resulted in a forecast 1999/2000 price range of 16.5 to 19.5 cents per pound, well below the 20.25 cents estimated for this year.

♦**Cotton.** The U.S. cotton outlook for 1999/2000 indicates no change in production, mill use, or exports relative to last month. WAOB projects 1999/2000 production to be 18.0 million bales, up 29% from 1998.

♦**All Oranges.** Production for the 1998-99 season is forecast at 9.82 million tons, down less than 1% from the May 1 forecast and down 28% from last season's record large production of 13.7 million tons.

♦**Cattle.** June 1 **cattle on feed** inventory in the U.S. feedlots with capacity of 1,000 or more totaled 9.98 million head, up 3% from a year earlier. Placements were up slightly from the previous year with marketings of fed cattle 1% above 1998. During mid-June, **prices** for choice steers (Nebraska direct, 1100-1300 pounds) averaged \$66 per cwt. Feeder steer prices (Oklahoma City, medium-large frame, 750-800 pounds) were around \$77 per cwt in mid-June, up \$8 from mid-May.

♦**Hogs.** Hog slaughter during recent weeks has been running heavier than expected, 3% above a year ago. Prices during mid-June (Iowa-Southern Minnesota direct, 230-250 pounds) were around \$36 per cwt, down \$2 from mid-May. Third quarter prices are expected to show some improvement over the second quarter.

♦**Other Livestock.** May **milk production** was up 3.5% from the previous year. Production per cow increased 3.5%; however, the number of cows was almost unchanged from May 1998. The May **Basic Formula Price (BFP)** was \$11.26 per cwt, down 55 cents from April. **Cheddar cheese prices** (U.S. 40 pound blocks, wholesale) increased 1.2 cents for the first week of June and 3.1 cents for the second week. This suggests that the June BFP will be up. During April, total **cheese** production was 5.2% above the previous year, **butter** production was down 0.6%, and **nonfat dry milk** production was up 11.6%. U.S. **table egg production** during May totaled 5.81 billion, up 4% from a year ago. Cumulative table egg production for the 1999 marketing year is up 3% at 34.6 billion. Wholesale market **egg prices** for the second quarter of 1999 are expected to average 59-60 cents per dozen, compared with 66.5 cents a year ago. Third quarter 1999 market egg prices (Grade A large, New York) are expected to average 68-72 cents per dozen, compared with 76.0 cents a year ago. As of the week ending June 19, cumulative

broiler placements for 1999 in 15 selected states were 3.47 billion, up 3% from the same period a year earlier. The wholesale 12 city average price for whole broilers for the second quarter of 1999 is expected to be 58-59 cents, compared to 61.0 cents for the second quarter of last year. Third quarter 1999 broiler prices are expected to average 58-60 cents per pound, compared with the 70.4 cents for a year earlier. Cumulative **turkey poult placements** for the 1999 marketing year were 218 million, 4% less than the same period a year ago. Placements in May, at 26.2 million, were 2% more than last May. Prices (8-16 lb. hens, Eastern Region) for the second quarter of 1999 are expected to be in the 65-66 cent range compared with 59.1 cents for the second quarter last year. Turkey prices for the third quarter of 1999 are expected to average 67-71 cents per pound, compared with the 63.4 cents average for the third quarter of 1998. **Supplies in refrigerated warehouses** the end of May compared with a year earlier were: chicken up 19; turkeys down 20; pork up 23; beef down 1; cheese up 19; and frozen orange juice down 18%.

♦**Trade.** June 1999/2000 U.S. **trade projections** for wheat, corn, rice, soybeans, cotton, beef, pork, broilers, and turkeys were unchanged from May. June projections for the volume of exports for the 1999/2000 marketing year compared to 1998/1999 are: **wheat** up 10%; **corn** down 1%; **rice** down 1%; **soybeans** up 21%; **soybean meal** up 22%; **soybean oil** down 13%; and **cotton** up 34%. June projections for the volume of meat exports in calendar 2000 compared to 1999 are: **beef** down 6%; **pork** down 4%; **broilers** up 1%; and **turkeys** up 1%. The U.S. **trade** deficit for goods and services was \$18.9 billion in April, virtually unchanged from March. The U.S. **agricultural trade** surplus was \$470 million in April, compared with \$624 million in March.

♦**Prices.** The rate of **inflation**, as monitored by the CPI for all urban consumers, was unchanged in May and has increased 2.1% over the last 12 months. The **PPI** increased 0.2% in May. This followed an increase of 0.5% in April. For the 12-month period ending in May, the PPI increased 1.4%. The May **prime rate**, averaging 7.75%, was unchanged from April. Compared to a year earlier, **feed** prices in May were down 7%; **feeder livestock and poultry** prices down 3%; **fertilizer** down 6%; **ag chemicals** down 2%; **farm machinery** up 2%; **seeds** down 2%; and **fuels** down 5%.

♦**World Weather and Crop Developments** (June 13-19). Unfavorably hot, dry weather stressed winter grains and spring-sown crops in southern **Russia** and eastern **Ukraine**. Dry, albeit cool weather in **Canada** helped alleviate excessive wetness, although scattered frost may have damaged emerging canola. Scattered showers and generally mild conditions favored winter grains across western and northern **Europe**. In the North **China** Plain, scattered showers benefited germinating to vegetative summer crops, but more widespread rain is still needed. Showers benefited emerging winter grains in west and southeast **Australia**. Dry weather across **Argentina** continued to aid summer crop harvesting but reduced topsoil moisture for winter wheat planting. The rainy season began across the main corn belt of **Mexico**. U.S. crop development was hindered by cool weather in most areas east of the Rocky Mountains, especially in the western **Corn Belt**, where many locations experienced record overnight lows. In the **Rocky Mountains** and **Pacific Coast States**, crop development accelerated due to above-normal temperatures. In parts of **Oklahoma** and **Kansas**, heavy rainfall flooded streams and drowned crops in low-lying fields. Crop conditions improved significantly in the **Atlantic Coastal Plains**, as soaking rains eased the drought. Scattered storms provided beneficial moisture in parts of the southern **Great Plains**, lower **Mississippi Valley**, and **Southeast**.

♦**Other News.** U.S. **agricultural exports** are down by \$4.7 billion, or 14%, so far in fiscal 1999 from 1998. Exports have been trending downward over the fiscal year, while imports have trended upward. The U.S. agricultural trade balance (surplus) narrowed again in April and is now \$7.9 billion in the fiscal year to date, down 37% from 1998. At \$7.7 billion, **California** accounted for 14% of total U.S. fiscal 1998 exports and was the **leading exporting State**. The ten leading States in Agricultural exports, in order, are: California, Iowa, Illinois, Texas, Nebraska, Kansas, Minnesota, Washington, Arkansas, and Indiana. Most **jobs created by agricultural exports** are in medium- and high-skill occupations. U.S. jobs supported by farm exports are more concentrated in medium- and high-skill occupations compared with jobs displaced by imports, about half of which are in low-skill occupational categories. Exports also seem to be linked to increasing skill requirements for workers in rural manufacturing businesses. However, analysis of long-term trends in job creation shows that domestic demand generates most high-skill jobs. Global conditions are hurting the **rural economy**. Although the U.S. economy continues to grow, global economic conditions have adversely affected U.S. mining, manufacturing, and agriculture. The confluence of abundant supplies, the appreciation of the U.S. dollar, and weak demand from Asia and elsewhere have resulted in low agricultural prices. Slow world growth and low farm prices have softened the rural economy. At the end of the nineteenth century, the **consumption of meat per capita** in the U.S. was twice as high as in Germany, more than 3 times as high as in the Netherlands and Russia, 2.5 times as high as in France, 1.8 times as high as in England, and 8 times as high as in Italy. This fact points to the bountiful supply of food in the U.S. over many years compared with other countries.

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